

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 2, 2007**

**TO:** Honorable Rob Eissler, Chair, House Committee on Public Education

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2657** by Giddings (relating to a pilot project to lower teacher turnover rates in high-need public school districts. ), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2657, Committee Report 1st House, Substituted: a negative impact of (\$3,100,000) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	(\$3,100,000)
2009	\$0
2010	(\$6,200,000)
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from GENERAL REVENUE FUND 1</b>
2008	(\$3,100,000)
2009	\$0
2010	(\$6,200,000)
2011	\$0
2012	\$0

**Fiscal Analysis**

The bill would require the Commissioner of Education to establish a pilot project for teacher retention in school districts with a substantial geographic area with a low income population, a substantial number of academically unacceptable campuses, and a high teacher turnover rate. The pilot would provide grants to school districts sufficient to fund salary supplements for teachers who commit to teach in the recipient district for at least three years. One-third of the supplement amount would be payable as at the beginning of the three-year period and two-thirds would be payable upon completion of the three-year contract period beginning with the 2007-08 school year. The bill would require the Texas Education Agency to submit an interim report no later than January 1, 2009 and a final evaluation no later than January 1, 2011.

**Methodology**

The Texas Education Agency estimates that as many as 3,100 teachers would be eligible for supplements. Assuming a \$3,000 supplement and assuming that one-third of the supplement total were paid in FY2008 and two-thirds of the supplement total were paid in FY2010, costs in FY2008 would be estimated to be \$3.1 million and costs in FY2010 would be an estimated \$6.2 million. Costs would vary according the actual amount of the supplement, the number of teachers fulfilling the complete three-year obligation, and the timing of payment. No on-going costs are assumed at the conclusion of the three-year pilot period.

### **Local Government Impact**

Eligible school districts would be required to obtain three-year commitments from teachers and verify retention at the conclusion of the three-year period.

**Source Agencies:** 701 Central Education Agency

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